



COVID-19 EMERGENCY EMPLOYMENT MEASURES ACROSS THE UAE

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	UAE Mainland	Dubai International Financial Centre (DIFC)	Dubai Multi Commodities Centre (DMCC)	Abu Dhabi Global Market (ADGM)
Applicable Law and Measures:	Federal Law No 8 of 1980 (the "Labour Law") Ministry of Human Resources and Emiratisation Ministerial Resolution No. 281 of 2020 & 279 of 2020	DIFC Law No. 2 of 2019 (the "Employment Law") Presidential Directive No. 4 of 2020 (the "Directive")	Federal Law No 8 of 1980 (the "Labour Law") DMCC Guidelines No.1 of 2020 (the "Guidelines")	ADGM Employment Regulations 2019 (the "Regulations") ADGM Employment Affairs Covid 19 Guidance (the "Guidance")
Remote working	Employers may implement a work from home program and require employees to work remotely (Section 2 of Ministerial Resolution No. (279) of 2020). Resolution No. 281 of 2020 limits the percentage of an employer's workforce that can physically continue to work from the employer's premises to 30% (companies performing certain essential activities are exempt from this requirement, such as, food and health).	Employers may restrict workplace access and implement a work from home program requiring employees to work remotely (Section 6(1) of the Directive).	Employees can be asked to work remotely with the exception of the key employees working in key sector industries (announced by the Supreme Committee of Crisis and Disaster Management from time to time) (Section 1.1 of the Guidelines). Employers should limit the percentage of the workforce at the employer's premises to 30%.	Employers may implement a work from home program and require employees to work remotely. In accordance with the ADGM Registration Authority Circular 14 of 2020, ADGM entities must ensure that only 30% of their workforce is working at their ADGM registered office at any one time.

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Paid Leave	<p>Employers may impose a period of paid leave and deduct this from the employee's annual leave (Section 2 of Ministerial Resolution No. (279) of 2020).</p> <p>This does not require the agreement of the employee.</p>	<p>Employers may place employees on paid leave and deduct this from the employee's annual leave. (Section 6(1) of the Directive).</p> <p>This does not require the agreement of the employee.</p> <p>An employer is required to notify any affected employees in writing at least five days' in advance of implementing any of the emergency measures (Section 6(5) of the Directive).</p>	<p>Employers may impose a period of paid leave and deduct this from the employee's annual leave (Section 1.2 of the Guidelines).</p> <p>This does not require the agreement of the employee.</p>	<p>Employers may require the employee to take paid leave on specified days upon giving the employee seven days' written notice. This leave may be deducted from the employee's annual leave (Section 24(2) of the Regulations).</p> <p>This does not require the agreement of the employee.</p>
Unpaid Leave	<p>Employers may place employees on unpaid leave (Section 2 of Ministerial Resolution No. (279) of 2020).</p> <p>This requires the agreement of the employee.</p> <p>This can be for as long as agreed or until the Resolution has been repealed.</p> <p>This is effected by executing an appendix to the employment contract of the individual in the form prescribed by the MOHRE and lodging it with the MOHRE.</p> <p>The employer must continue to provide the employee with their housing and all other entitlements (apart from basic salary) (Section 3 of Ministerial Resolution No. (279) of 2020).</p> <p>Any period of unpaid leave may be deducted from the total period of service for the purposes of the end of service gratuity calculation (Section 132 of the Labour Law).</p>	<p>Employers may place employees on unpaid leave (Section 6(1) of the Directive).</p> <p>This does not require the agreement of the employee.</p> <p>An employer is required to notify any affected employees in writing at least 5 days' in advance of implementing any of the emergency measures. (Section 6(5) of the Directive).</p> <p>The Directive and the Employment Law are silent on the effect of unpaid leave on the employee's end of service gratuity.</p>	<p>Parties can mutually agree to a period of unpaid leave to be renewed by mutual consent. Any such agreement should be set out in writing in an addendum to the contract. (Section 1.4 of the Guidelines).</p> <p>This requires the agreement of the employee.</p> <p>Any period of unpaid leave may be deducted from the total period of service for the purposes of the end of service gratuity calculation (Section 5 of the Guidelines). This is optional and the employer may choose to instead include the unpaid leave period in the end of service gratuity calculation.</p>	<p>The Regulations and Guidance are silent on unpaid leave and accordingly this may be agreed between the employee and the employer. We recommend that any such agreement is recorded in writing.</p> <p>The Regulations and Guidance are silent on the effect of unpaid leave on the employee's end of service gratuity.</p>

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Salary Reduction – Temporary	<p>Employers may temporarily reduce the salaries of employees (Section 2 of Ministerial Resolution No. (279) of 2020).</p> <p>This requires the agreement of the employee.</p> <p>This is effected by executing an appendix to the employment contract of the individual in the form prescribed by the MOHRE and lodging it with the MOHRE (Section 5 of Ministerial Resolution No. (279) of 2020).</p> <p>End of service gratuity calculation should not be affected by the temporary reduction in basic salary. End of service gratuity should continue to accrue according to the employee's Basic Salary prior to the temporary reduction.</p>	<p>Employers may impose reduced remuneration for employees (Section 6(1) of the Directive).</p> <p>This does not require the agreement of the employee.</p> <p>An employer is required to notify any affected employees in writing at least 5 days' in advance of implementing any of the Emergency Measures (Section 6(5) of the Directive).</p> <p>End of Service Gratuity: Where the basic wage of an employee has been reduced subsequent to 1 March 2020, the gratuity payment of that employee for any period of service prior to 1 February 2020 (when the mandatory DIFC employee workplace savings scheme became effective) shall be calculated by reference to their basic wage as at 29 February 2020 for the duration of the emergency period (Section 11(1) of the Directive).</p> <p>End of Service Gratuity Transfer: Where an employer is looking to transfer any end of service gratuity which an employee has accrued prior to 1 February 2020 ("Gratuity Transfer Amount") into a DIFC employee workplace savings scheme on an employee's behalf, where the basic salary of an employee has been reduced subsequent to 1 March 2020, the basic salary used in the calculation of the Gratuity Transfer Amount shall be the basic salary as at 29 February 2020 for the duration of the emergency period (Section 11(2) of the Directive).</p>	<p>Parties can mutually agree to reduce the employee's basic salary for a defined period, such period can be renewed by mutual consent. Any such agreement should be set out in writing in an addendum to the contract (Section 1.3 of the Guidelines).</p> <p>The reduction in basic salary should not affect the employee's allowances (any payments, remuneration or benefits paid or provided regularly that are not part of the basic salary) (Section 1.3 of the Guidelines).</p> <p>End of service gratuity calculation should not be affected by the temporary reduction in basic salary. End of service gratuity should continue to accrue according to the employee's Basic Salary prior to the temporary reduction (Section 5 of the Guidelines).</p>	<p>The Regulations and Guidance are silent on temporary salary reductions and accordingly this may be agreed between the employee and the employer.</p> <p>A reduction in salary will be deemed to be an amendment of the terms of the contract of employment. Any such amendment must be in writing and signed by the employee (Section 6 of the Regulations).</p> <p>End of service gratuity calculation should not be affected by the temporary reduction in basic salary. End of service gratuity should continue to accrue according to the employee's Basic Salary prior to the temporary reduction.</p>
Salary Reduction – Permanent	<p>Employers may permanently reduce the salaries of employees (Section 2 of Ministerial Resolution No. (279) of 2020).</p> <p>This requires the agreement of the employee</p> <p>The approval of the MOHRE is required for any permanent reduction in salary and an amended contract must be lodged with the MOHRE (Section 2 of Ministerial Resolution No. (279) of 2020).</p>	<p>The Directive does not provide any measures for a permanent reduction in salary.</p> <p>The provisions of the DIFC Law No. 2 of 2019 (the Employment Law) will apply as usual. A permanent reduction in salary will be deemed to be an amendment to the contract of employment. Any such amendment should be in writing and signed by the employee (Section 14 of the Employment Law).</p>	<p>The Guidelines do not provide any measures for a permanent reduction in salary.</p> <p>The provisions of Labour Law will apply to DMCC employees in the absence of any DMCC specific regulations. Pursuant to the Labour Law, any permanent reduction in salary will require the consent of the employee. The employment contract of the employee will need to be updated to reflect this and registered with the DMCC.</p>	<p>The Guidance does not provide any measures for a permanent reduction in salary and as such, the Regulations apply as usual.</p> <p>A permanent reduction in salary will be deemed to be an amendment to the contract of employment. Any such amendment must be in writing and signed by the employee (Section 6 of the Regulations).</p>

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Termination	<p>The Resolutions do not provide any measures for termination of employees during this time and as such the provisions of the Labour Law will apply as usual. This means that the provisions of the contract and the Labour Law must be followed in respect to the process of termination of the contract (providing notice etc.).</p> <p>If an employer terminates an employee, the employer is required to register the employees' data in a 'Virtual Labour Market System' to allow the data to be accessed by other companies in the UAE (Section 3 of Ministerial Resolution No. (279) of 2020).</p> <p>Upon termination, the employer must continue to provide the employee with their housing and all other entitlements (apart from basic salary) until the employee leaves the country or gains employment with a different company (Section 3 of Ministerial Resolution No. (279) of 2020).</p> <p>Furthermore, employees who are terminated may potentially pursue claims for arbitrary dismissal under Article 123 of the Labour Law pursuant to which an employee could be awarded up to 3 months compensation for termination.</p> <p>In our view, the courts are likely to take a more sympathetic approach to the employer where the employer can demonstrate that it has exhausted all other measures provided in Resolution 279 and that termination was the only viable alternative to ensure the survival of the business.</p>	<p>The Directive does not provide any measures for termination of employees during this time and as such the provisions of the Employment Law will apply as usual. This means that the provisions of the contract and the Employment Law must be followed in respect to the process of termination of the contract (providing notice etc.).</p> <p>Whilst the Directive remains in place, employers are required to maintain a list of:</p> <ul style="list-style-type: none"> employees terminated since 1 March 2020; and employees that are surplus to its current needs. <p>This information then needs to be provided to the DIFC who will maintain an "Available Employee Database" for any terminated employees or those surplus to current needs. The database can be accessed by employers looking to recruit new employees and will also be shared with other UAE government authorities. (Section 10 of the Directive).</p> <p>Employers can elect to defer the cancellation of a residence visa of terminated employees beyond the 30-day statutory limitation period. No salary will be payable during this time period but the employer must maintain health insurance until the visa is cancelled. For employers in the retail, service or hospitality sector who provide accommodation to employees, the provision of this accommodation must also continue until the visa is cancelled. (Section 9 of the Directive).</p> <p>Where an employee has been terminated and been paid their end of service gratuity on the basis of a wage lower than they earned as at 29 February 2020, the employer is obliged to "top up" the employee's end of service gratuity entitlement in respect of any shortfall (Section 11(3) of the Directive).</p>	<p>The Guidelines do not provide any measures for termination of employees during this time and as such the provisions of the Labour Law will apply as usual. This means that the provisions of the contract and the Labour Law must be followed in respect to the process of termination of the contract (providing notice etc.).</p> <p>Furthermore, employees who are terminated may potentially pursue claims for arbitrary dismissal under Article 123 of the Labour Law pursuant to which an employee could be awarded up to 3 months compensation for termination.</p> <p>In our view, the courts are likely to take a more sympathetic approach to the employer where the employer can demonstrate that it has exhausted all other measures provided in the Guidelines and that termination was the only viable alternative to ensure the survival of the business.</p>	<p>The Guidance does not provide for any changes in respect of the process or entitlements of employees on termination during this time and as such, the Regulations apply as usual.</p> <p>If an employee is terminated without cause, the employer is required to:</p> <ul style="list-style-type: none"> either allow them to serve their notice period or pay them in lieu of notice; pay them for any vacation leave days they have accrued but not taken; pay their end of service gratuity; and provide them with a one-way repatriation flight to their country of origin. <p>(Section 23, 55, 59 and 62 of the Regulations).</p>